

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice CONOP-13

For: State and County Offices

Environmental Quality Incentives Program (EQIP) Contract EOA Funding Procedure

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

In general, funding for EQIP contracts is year-specific, which requires that allocations approved for any 1 particular FY be obligated during that same FY. When an EQIP contract is approved by the County FSA Committee, a specified amount of funds is obligated to the contract according to the agreement between the producer or producers and CCC.

The funds obligated to a contract originally cannot be increased; however, supplemental funds may be applied to the contract, **after** the contract approval year, to address modifications required because of errors, omissions, appeals, or practice failures because of natural disaster (EOA's). EOA funding shall not be requested until it is known that all funds initially obligated to the contract will be earned.

B

Purpose

This notice:

- reissues procedure for funding contract modifications caused by errors, omissions, appeals, or practice failures because of natural disaster
- advises State Offices of the continuation of the policy that contract EOA funds will be made available through a national EOA reserve on an as-needed basis for FY 1999, 2000, and 2001 contracts
- provides procedure for using current year funds to process EOA requests for FY 1997 and FY 1998 contracts.

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Disposal Date	Distribution
August 1, 2002	State Offices; State Offices relay to County Offices and NRCS State Office

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1 Overview (Continued)

B

Purpose (Continued)

- provides guidance to State Offices on establishing a State-level EOA reserve using current year allocations for FY 2002 contracts
 - provides the revised CCC-913 for FY 1999, 2000, and 2001 eligible EOA reserve requests
 - provides a new CCC-914 to report FY 1997 or 1998 eligible EOA modifications funded using FY 2002 funds.
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2 Processing Contract EOA Funding

A

National EOA Reserves

A national EOA reserve has historically been established at the end of each FY to cover future contract modification needs for contracts entered into during that FY. This process was designed to avert using current FY EQIP financial assistance funding to cover eligible prior FY contract modifications.

Refer to the EQIP manual, section 515.112, for policy on contract modifications that are eligible for funding from the reserve.

B

Requesting National EOA Reserve Funding for FY 1999, 2000, and 2001 contracts

For FY 1999, FY 2000, and FY 2001 contracts only, the National Office will maintain and allocate additional funds from the national EOA reserve.

State Offices shall:

- use CCC-913 for all requests for EOA reserve funding (see Exhibit 1)
- batch-process EOA requests eligible for additional funding
- **on a monthly basis**, submit the funding requests to the National Office for processing
- obtain the State EQIP Program Manager's signature and date on CCC-913 before forwarding to the National Office.

Note: The State NRCS Program Manager must sign CCC-913 indicating that he or she has reviewed the request for funds and has verified that it is an eligible contract EOA request. Also, note that the exhibit now requires both the fund code and year for funds being requested.

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2 Processing Contract EOA Funding (Continued)

C

Reports of FY 1997 and FY 1998 Contract EOA Modifications

Both the FY 1997 and FY 1998 contract national EOA reserves have been exhausted. Procedure has been established to allow State Offices to use current year funds to increase financial assistance to FY 1997 and FY 1998 contracts for modifications as the result of an approved error, omission, appeal or practice failure due to natural disaster.

FY 2001 funds used for FY 1997 EOA's were tracked using the special fund code XX8001/1997, where the "xx" represents the individual State FIPS code. In FY 2002, current year funds used for FY 1997 EOA's will be tracked similarly, using an XX8002/1997 fund code. In addition, an XX8002/1998 fund code will be available to use FY 2002 funds for FY 1998 contract EOA modifications.

State Offices shall use CCC-914 (see exhibit 2) to submit a report to the National Office for each approved FY 1997 or 1998 contract EOA funded using FY 2002 funds.

Based on CCC-914 reports submitted, CCC-357's reflecting the reduction of FY 2002 funds used for FY 1997 and FY 1998 EOA's and the associated increase in FY 1997 and FY 1998 funds will be issued by the national FSA office at the end of the FY to the applicable States.

Note: LHHS no-year funds shall not be used to process any FY 1997 or FY 1998 EOA requests.

D

FY 2002 Contract State EOA Reserve

Effective for FY 2002 contracts, **NO** National EOA modification reserve will be established. All financial assistance funds will be allocated to States. State Offices shall be responsible for determining the amount of FY 2002 funds to be used to establish a State-level EOA modification reserve for future EOA modifications FY 2002 contracts.

A new fund code is being developed for FY 2002 funds used for FY 2002 contract EOA's. Procedure on managing the FY 2002 contract State EOA reserve will be forthcoming in a future notice.

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2 Processing Contract EOA Funding (Continued)

E

State Office Action

State Offices shall:

- provide a copy to, and review this notice with, NRCS State Conservationist
- instruct County Offices to promptly notify State Offices of any eligible contract modifications requiring additional funding
- on a monthly basis, identify and batch all requests for EOA funds for FY 1999, 2000, or 2001 contracts using CCC-913 (see exhibit 1) and ensure that all requests have the signed concurrence of the NRCS Program Manager

Note: If the NRCS State Program Manager does **not** concur, do not forward the request to the National Office.

- **on the 1st working day of each month, submit, as appropriate, completed CONOP-XX forms to the Director, Conservation Operations Division, NRCS, at FAX 202-720-4265**
- upon approval, for FY 1999, 2000, and 2001 contract EOA's only, allocate any EOA reserve funds received from the National Office **directly** to the specific years and fund codes for which funding was requested
- when FY 2002 financial assistance allocation is received, concur with NRCS in determining the amount needed to establish an FY 2002 contract State level EOA reserve and the amount needed for any FY 1997 and FY 1998 EOA's
- for FY 1997 and 1998 contracts, fund approved EOA's with NRCS concurrence using FY 2002 funds. Complete CCC-914 (see exhibit 2) for each EOA and submit on a monthly basis to the Director, CEPD by FAX at 202-720-4619.
- ensure that applicable County Offices timely and accurately record EOA funds to appropriate fund codes

Note: FY 2002 funds used for FY 1997 or 1998 EOA's must be marked as obligated in the system 36 by September 30, 2002, or the funds will expire.

- prepare a report to the National Office of the amount of FY 2002 funds used to establish an FY 2002 contract State level EOA reserve. The National Office is responsible for ensuring that EOA contract reserve funds are obligated. A future notice will be issued notifying State Offices to submit this report to the National Office.

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Notice CONOP-13

2 Processing Contract EOA Funding (Continued)

F

**County Office
Action**

County Offices shall:

- provide a copy to, and discuss this notice with, NRCS
 - follow State Office instructions by promptly and regularly reporting any contracts requiring additional funds because of eligible contract EOA modifications, according to the amended EQIP manual, section 515.112
 - based on contract EOA allocations received from the State Office, promptly record adjustments to the appropriate ledgers
 - follow all other instructions in this notice.
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Example of CCC-913

This form is available electronically.

CCC-913 (03-06-02)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation REVISED CONTRACT MODIFICATION REQUEST FORM
For Requesting Funds from the National EQIP EOA Reserve for FY 1999, FY 2000, and FY 2001 EQIP Contracts. State Offices are required to use CCC-913 for all requests for EOA reserve funding. On a monthly basis (first working day), submit the funding requests to the National Office for processing at the following: To: Director, COD, NRCS Attn: EQIP, Program Manager NRCS @ 202-720-4265 (FAX number)	
1. From: State Name	2. Fax Number (including area code)
3. Date of Request (mm/dd/yyyy)	4A. Contact Name (State Office)
4B. Telephone Number (including area code)	

5. Fundcode (xxxxxx)	6. Fundcode Year (xxxx)	7. County FIPS Code (xxxxxx)	8. Contract Number	9. EOA Funds Requested	10. Reason (Contract Modification)			
					a. Error	b. Omission	c. Appeal	d. Practice Failure
				\$				
				\$				
				\$				
				\$				
				\$				
				\$				
				\$				
				\$				
				\$				
				\$				

11A. Concurrence by: NRCS State EQIP Program Manager	11B. Date (mm/dd/yyyy)
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This form is available electronically.

CCC-914 (03-06-02)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation							
CONTRACT MODIFICATION REPORT FORM									
For Reporting the use of FY 2002 EQUIP FUNDS to increase obligations of FY 1997 and 1998 Contracts due to Errors, Omission, Appeals, or Practice Failures due to National Disaster.									
State Offices shall complete the form and submit monthly, as indicated below:									
To: Director, COD, NRCS									
Attn: EQUIP, Program Manager NRCS @ 202-720-4255 (FAX number)									
1. From: State Name					2. Fax Number (including area code)				
3. Date of Request (mm/dd/yyyy)			4A. Contact Name (State Office)			4B. Telephone Number (including area code)			
5.	6.	7.	8.	9.	10.				
Fundcode (xxxxxx)	Fundcode Year (xxxx)	County FIPS Code (xxxxx)	Contract Number	FY 2002 Funds Transferred	Reason (Contract Modification)				
					a.	b.	c.	d.	
					Error	Omission	Appeal	Practice Failure	
				\$					
				\$					
				\$					
				\$					
				\$					
				\$					
				\$					
				\$					
				\$					
11A. Concurrence by: NRCS State EQUIP Program Manager					11B. Date (mm/dd/yyyy)				